

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0533-01
Bill No.: HB 126
Subject: Disabilities: Education, Elementary and Secondary; Elementary and Secondary Education
Type: Original
Date: February 4, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	(\$6,154,800)	(\$6,339,444)	(\$6,529,627)
Total Estimated Net Effect on General Revenue Fund*	(\$6,154,800)	(\$6,339,444)	(\$6,529,627)

***Subject to Appropriation**

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
State School Moneys	\$0	\$0	\$0
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
School Districts*	\$6,154,800	\$6,339,444	\$6,529,627

*Subject to Appropriation

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the proposal would make eligible for inclusion all hearing impaired and vision impaired students, in addition to eligible deaf and blind students; reimbursements would be for costs that exceed the average per-pupil expenditure for non-disabled students.

DESE assumes the fiscal impact for FY 04 as follows:

Childcount						
<u>Categories (12-01)</u>	<u>Number</u>		<u>Multiplier(1)</u>		<u>Expenditure(2)</u>	<u>Totals</u>
Partially sighted	211	x	0.3	x	\$7,136	= \$ 451,709
Blind	258	x	0.8	x	\$7,136	= \$1,472,870
Hard of Hearing	776	x	0.3	x	\$7,136	= \$1,661,261
Deaf	450	x	0.8	x	\$7,136	= <u>\$2,568,960</u>
						\$6,154,800

(1) The average multiple of cost for special education is between 1.6 and 1.9 that of non-special education. These multiples were estimated based on knowledge of special education costs and

services for such students.

(2) FY 02 statewide expenditure per student in average daily attendance.

ASSUMPTION (continued)

Oversight assumes a 3% inflation factor for FY 05 and FY 06 for estimated cost of \$6,339,444 \$6,529,627, respectively.

DESE assumes the language in the proposal could result in the possibility of districts receiving duplicate reimbursements for some costs. For example, districts receive additional reimbursement for special education which is not part of the average of reimbursements for “nonspecial education students”.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
GENERAL REVENUE FUND			
Cost - Elementary and Secondary Education			
Increased transfers to State School Moneys Fund	<u>(\$6,154,800)</u>	<u>(\$6,339,444)</u>	<u>(\$6,529,627)</u>
ESTIMATED NET EFFECT TO GENERAL REVENUE FUND*	<u>(\$6,154,800)</u>	<u>(\$6,339,444)</u>	<u>(\$6,529,627)</u>
*Subject to Appropriation			
STATE SCHOOL MONEYS FUND			
<u>Transfer In</u> - Transfer from General Revenue Fund	\$6,154,800	\$6,339,444	\$6,529,627
<u>Transfer Out</u> - Reimbursements to School Districts	<u>(\$6,154,800)</u>	<u>(\$6,339,444)</u>	<u>(\$6,529,627)</u>
ESTIMATED NET EFFECT TO STATE SCHOOL MONEYS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
SCHOOL DISTRICTS			
<u>Income</u> - Reimbursements from State School Moneys Fund	<u>\$6,154,800</u>	<u>\$6,339,444</u>	<u>\$6,529,627</u>
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS*	<u>\$6,154,800</u>	<u>\$6,339,444</u>	<u>\$6,529,627</u>
*Subject to Appropriation			

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal permits school districts to bill the Department of Elementary and Secondary Education for certain costs of educating hearing impaired and visually impaired students who are eligible for special education services. Costs exceeding the total average local, state, and federal funds expended for students who do not receive special education may be reimbursed, subject to appropriation.

This legislation is not federally mandated and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education



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